



Patrick W. Henning, Director



Arnold Schwarzenegger  
Governor

May 9, 2008  
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Ms. Teresa Zimny, Program Manager II  
Napa Valley Workforce Investment Board  
650 Imperial Way, Suite 101  
Napa, CA 94559

Dear Ms. Zimny:

**WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2007-08**

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the Napa Valley Workforce Investment Board's (NVWIB) Workforce Investment Act (WIA) 85-Percent grant program operations. We focused this review on the following areas: Board composition, One-Stop delivery system, program administration, WIA activities, participant eligibility, local program monitoring of subrecipients, grievance and complaint system, and management information system/reporting.

This review was conducted by Ms. Jennifer Leeper from November 5, 2007 through November 9, 2007.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by NVWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2007-08.

We collected the information for this report through interviews with NVWIB representatives and service provider staff. In addition, this report includes the results of our review of selected case files, NVWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2007-08.

We received your response to our draft report on March 25, 2008, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed findings one and two cited in the draft report, no further action is required at this time. However, these issues will remain open until we verify your implementation of your stated corrective action plan during a future onsite review.

Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 80084 and 80085.

## **BACKGROUND**

The NVWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, NVWIB was allocated: \$133,987 to serve 36 adult participants; \$137,159 to serve 26 youth participants; and \$256,636 to serve 28 dislocated worker participants.

For the quarter ending September 30, 2007, NVWIB reported the following expenditures for its WIA programs: \$249.50 for adult participants; \$18,128.76 for youth participants; and \$0 for dislocated worker participants. In addition, NVWIB reported the following enrollments: 42 adult participants; 35 youth participants; and 36 dislocated worker participants. We reviewed case files for 30 of the 113 participants enrolled in the WIA program as of November 5, 2007.

## **PROGRAM REVIEW RESULTS**

While we concluded that, overall, NVWIB is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: subrecipient monitoring and Workforce Investment Board (WIB) composition. The findings that we identified in these areas are specified below.

### **FINDING 1**

**Requirement:** 20 CFR Section 667.410 states, in part, that recipients and subrecipients must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors to determine whether or not there is compliance with provisions of WIA and other laws and regulations.

20 CFR Section 661.305(a)(1) states, in part, that the Local Board is responsible for conducting oversight of the One-Stop system, youth activities, and employment and training activities under Title 1 of WIA.

WIAD00-7 states, in part, that the oversight and monitoring of all subrecipients must occur at least once each program year. Additionally, the monitoring of subrecipients require systematic follow-up to ensure that necessary corrective action is completed.

**Observation:** The WIB has not performed its oversight and monitoring responsibilities of its One-Stop system, youth activities, and its employment and training activities under WIA since June 21, 2006. The NVWIB stated that it created a Governance Committee composed of One-Stop partners who are responsible for oversight and monitoring. However, as noted, no oversight or monitoring has been completed of any of its activities under Title 1 of WIA. Although we found no monitoring schedule for PY 2007-08, NVWIB stated it plans to perform its program monitoring in April 2008 for both PYs 2006-07 and 2007-08.

Additionally, in our review of the monitoring reports completed for PY 2005-06 we noted that there were findings, but we saw no documentation that any follow-up activity was completed for these findings.

**Recommendation:** We recommended that NVWIB provide the Compliance Review Division (CRD) with a corrective action plan (CAP), stating how it will ensure, in the future, that oversight and monitoring of its One-Stop, youth activities, and employment and training activities is completed in a timely manner. Additionally, we recommended that the CAP also ensure that systematic follow-up is conducted and necessary corrective action is completed. Finally, we recommended that NVWIB provide CRD with the results of its follow-up activities for findings from its PY 2005-06 monitoring reports.

**NVWIB Response:** The NVWIB has scheduled a full review of its WIA One-Stop system, youth activities, and its employment and training activities in April 2008. The review will be conducted by the Health and Human Services Agency's Quality Management Division, an independent body acting on behalf of the NVWIB. This review will incorporate both PYs 2006-07 and 2007-08. Per Quality Management Division policy, any findings from this review will require a formal response within ten business days to ensure findings are quickly resolved. Additionally, NVWIB stated that as part of the April review, an assessment of the WIA program's follow-up activities for findings identified in PY 2005-06 will be reviewed. The Quality Management Division will submit a report of the assessment to CRD on behalf of NVWIB.

**State Conclusion:** The NVWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, NVWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80084.

## **FINDING 2**

**Requirement:** WIA Section 117(b)(2)(A)(iv) & (vi) states, in part, that the membership of each Local Board shall include representatives of community-based organizations and representatives from each of the one-stop partners.

20 CFR Section 661.315(a) states, in part, that the local board must contain two or more members representing the categories described in WIA section 117(b)(2)(A)(ii)-(v).

**Observation:** The NVWIB is missing one of two required community based organization (CBO) representatives. In addition, NVWIB is missing a representative from its one-stop partner, Experience Works. Both seats have been vacant since July 2007. The NVWIB stated that it was not aware of these vacancies and will begin recruiting to fill them.

**Recommendation:** We recommended that NVWIB provide CRD with a CAP, including a timeline, for appointing the required members currently not represented on NVWIB. Additionally, we recommended that NVWIB provide CRD with documentation demonstrating that these appointments were made.

**NVWIB Response:** The NVWIB stated that the WIB Director has communicated directly with the Executive Director of Experience Works who has agreed to sit on the NVWIB, and has committed to arranging her heavy travel schedule to attend all NVWIB board meetings. In addition, the Experience Works Director has committed to serving on the One-Stop Governance Committee. A copy of the NVWIB/County Commissions application package was mailed to the Experience Works Director. Upon return of the package, the NVWIB Executive Committee will forward the application to the Board of Supervisors at their mid-May meeting for appointment to the Board. Minutes of the NVWIB and a Board of Supervisors Minutes order will be forwarded to CRD.

Additionally, NVWIB stated that its vacancy with one of two CBO's was created when the Executive Director of a local agency left employment. Once the agency hires a new Executive Director, the WIB Director will contact and personally request that he/she fill the vacant WIB CBO seat. Subsequently, the NVWIB Executive Committee will forward their recommendation for appointment to the Board of Supervisors at their mid-May meeting. Minutes of the NVWIB and a Board of Supervisors Minutes order will be forwarded to CRD immediately following.

**State Conclusion:** The NVWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, NVWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 80085.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is NVWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain NVWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Ms. Jennifer Leeper at (916) 653-7802.

Sincerely,



JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Division

cc: Ron Addy, MIC 50  
Shelly Green, MIC 45  
Jose Luis Marquez, MIC 50  
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